9011756/2024/INFRA-INC01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Visakhapatnam Chennai Industrial Corridor Development Program (VCICDP) - Revised Administrative Sanction for an amount of for Rs.712.65Crs. for the subproject "Providing Water supply to Prioritized Industrial clusters in Southern Region of Andhra Pradesh (VCICDP-APIIC-05)" under Tranche-I of VCICDP - Orders - Issued.

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INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.Rt.No.120 Dated:24.06.2024.

Read the following:

1. G.O.Rt.No.221, Industries & Commerce (Infra) Dept., dt.06.08.2018.
2. From the Project Director, VCICDP single e-file bearing No.INC02 /21/2023- PMU-VCIC (C.NO.2103834).

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ORDER:

In the G.O.1st read above, Administrative Sanction has been accorded of Rs.689.70Crs., for the sub-project; "Providing Water supply to Prioritized Industrial clusters in Southern Region of A.P" under Tranche-I of VCICDP and the APIIC being the PIU, had accorded the technical sanction for Rs.625 crores.

2. In the reference 2nd read above, the Project Director, VCICDP has informed that, the bidding process was carried out by APIIC as per the ADB procurement guidelines. The contract was awarded to M/s. KLSR-NCC (JV) for an amount of Rs.556.49 Crs. on 15.10.2019 and the total agreement value including taxes is Rs.631.08 Crs. The original completion date agreed is 12.01.2021 and the works commenced from 02.12.2019. The present Physical Progress is 48.61%, and the Financial Progress is 35.44%. The APIIC had granted EOT up to 28.02.2023. During the course of execution, out of 204.74 Kms. length of pipeline, issues arose for about 38.07 Kms. length because of non-issuance of permissions from the stakeholder Departments and objections for laying of pipelines from the Villagers. These issues necessitated for proposal for alternative alignment of the pipeline. M/s AARVEE Associates, the original DPR consultants were once again requested for re-survey and submission of alternative alignment. M/s.AARVEE Associates have submitted the realignment proposal which is for a length of 227.80 Kms., against the contracted length of 204.30 Kms.

3. The VC&MD., APIIC Ltd., vide their Letter dt.14.07.2022, has submitted a proposal for Revised Administrative Sanction, with Financial Implication Statement(FIS) for Rs.821.10 Crs. The PMU reviewed the proposal and requested the APIIC to review the proposal and furnish a responsive matrix on the comments along with justification. Further, has submitted the revised FIS for Rs.712.65 Crs., clarifications and justifications for the comments

(P.T.O.)

4. He has further informed that, there is a provision in FAM for APIIC subprojects under VCICDP-Tranche-I for USD 4.63 $ Mn towards physical contingencies and USD 5.31 $ Mn towards price contingencies (i.e.) USD 9.94 $ Mn, which is approximately Rs.81 crores. The revised contract amount excluding Land cost, Compensatory Forest Alienation & plantation is Rs.678.90 crores which is Rs.47.82 crores (7.58%) excess over the original agreement amount of Rs.631.08 Crores, and this additional amount of Rs.47.82 Crores can be met from the provisions in FAM towards physical & price contingencies of Rs.81 Crores ($ 9.94 Mn) for APIIC sub-projects under VCICDP-Tranche-I.

5. The revised administrative sanction amount of this sub-project including variation due to change in alignment, extension of pipeline, price adjustments, additional GST for works, land cost, Compensatory Forest Alienation & plantation and another provisional sum works out to Rs.712.65 crores, in which the excess amount is Rs.22.95 Crores. (3.3% excess over original administrative sanction amount of Rs. 689.70 Crores). The additional contract amount due to the revision is less than 15%, there is no need to obtain concurrence for this cost variation from ADB and can be met within the provisions provided in the FAM. Upon receipt of approval from the Government the same shall be intimated to ADB for their information and records.

6. The Senior Engineer (Technical) has reviewed the proposal and the review report of the PMSC and recommended the proposal for Revised Administrative Sanction.

7. The Project Director, VCICDP, has therefore requested the Government to accord Revised Administrative Sanction for an amount of for Rs.712.65Crs., which is in excess of Rs.22.95 Crs. (3.3%) over the Administrative Sanction issued for amount of Rs.689.70 Crs. vide G.O.Rt.No.221, Industries & Commerce (Infra) Department, dt.06.08.2018, for the sub-project " Providing Water supply to Prioritized Industrial clusters in Southern Region of Andhra Pradesh (VCICDP- APIIC-05)" under Tranche-I of VCICDP .

8. Government after careful consideration, hereby accord Revised Administrative Sanction for an amount of Rs.712.65 Crores for the sub-project, "Providing Water supply to Prioritized Industrial clusters in Southern Region of Andhra Pradesh (VCICDP-APIIC-05)" under Tranche-I of VCICDP, subject to the deletion of the labour cess in terms of U.O.Note No.48022/238 IMU.WR.II/2017, Finance (FMU WR.II) Department, dt.29.06.2017.

9. The Project Director, VCICDP PMU and PIUs shall take necessary action for the implementation of the Project.

Contd..3....

10. This order issues with the concurrence of the Finance (PMU) Department vide their U.O.No.FIN01-FMU0PC(IC)/27/2023-FMU-IIEIC (C.N0.2127603), dt.04.06.2024.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N.YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Project Director, VCICDP, Eenikipadu, Vijayawada.
The VC&MD, APIIC Limited, APIIC Towers, Mangalgiri.
The Prl. Accountant General, Andhra Pradesh, Vijayawada.
The Director of Treasuries and Accounts, Mangalgiri.
The Director (Works & Accounts), Mangalgiri.
The Pay and Accounts Officer, Mangalgiri.
Copy to:
The Finance (FMU-I&C, I&I, Energy) Department, A.P. Secretariat.
The P.S to Secretary to Govt. & CIP., Ind. & Comm. Dept., A.P. Secretariat.
Sc/Sf.(C.No.2103834).

//FORWARDED::BY ORDER//

SECTION OFFICER

**GOVERNMENT OF ANDHRA PRADESH**
**ABSTRACT**

Visakhapatnam Chennai Industrial Corridor Development Program (VCICDP) – Revised Administrative Sanction for an amount of for Rs.712.65Crs. for the sub-project "Providing Water supply to Prioritized Industrial clusters in Southern Region of Andhra Pradesh (VCICDP-APIIC-05)" under Tranche-I of VCICDP – Orders – Issued.

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INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.Rt.No. Dated:23/06/2024

Read the following:

1. G.O.Rt.No.221, Industries & Commerce (Infra) Department, dt.06.08.2018.
2. From the Project Director, VCICDP single e-file bearing No. INC02/21/2023-PMU-VCIC (C.NO.2103834).

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projects under VCICDP-Tranche-I for USD 4.63 $ Mn towards physical contingencies and USD 5.31 $ Mn towards price contingencies (i.e.) USD 9.94 $ Mn, which is approximately Rs.81 crores. The revised contract amount excluding Land cost, Compensatory Forest Alienation & plantation is Rs.678.90 crores which is Rs.47.82 crores (7.58%) excess over the original agreement amount of Rs.631.08 Crores, and this additional amount of Rs.47.82 Crores can be met from the provisions in FAM towards physical & price contingencies of Rs.81 Crores ($ 9.94 Mn) for APIIC sub-projects under VCICDP-Tranche-I.

5. The revised administrative sanction amount of this sub-project including variation due to change in alignment, extension of pipeline, price adjustments, additional GST for works, land cost, Compensatory Forest Alienation & plantation and another provisional sum works out to Rs.712.65 crores, in which the excess amount is Rs.22.95 Crores. (3.3% excess over original administrative sanction amount of Rs. 689.70 Crores). The additional contract amount due to the revision is less than 15%, there is no need to obtain concurrence for this cost variation from ADB and can be met within the provisions provided in the FAM. Upon receipt of approval from the Government the same shall be intimated to ADB for their information and records.

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10. This order issues with the concurrence of the Finance (PMU) Department vide their U.O.No.FIN01-FMU0PC(IC)/27/2023-FMU-IIEIC (C.N0.2127603), dt.04.06.2024.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N Yuvaraj
Secretary To Government

Digitally Signed by N Yuvaraj
Date: 23-06-2024 15:43:48
Reason: Approved

To

The Project Director, VCICDP, Eenikipadu, Vijayawada.
The VC&MD, APIIC Limited, APIIC Towers, Mangalgiri.
The Prl. Accountant General, Andhra Pradesh, Vijayawada.
The Director of Treasuries and Accounts, Mangalgiri.
The Director (Works & Accounts), Mangalgiri.
The Pay and Accounts Officer, Mangalgiri.

Copy to:

The Finance (FMU-I&C, I&I, Energy) Department, A.P. Secretariat.
The P.S to Secretary to Govt. & CIP., Ind. & Comm. Dept., A.P. Secretariat.
Sc/Sf.(C.No.2103834).

//FORWARDED::BY ORDER//

SECTION OFFICER

24/06/24
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